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SOURCE                      Wen-hui Pao.

SHANG-HAI INDUSTRIES PLAN  
TO BECOME SELF-SUFFICIENT

Former users of Diesel fuel are converting to coal. Those who have been using imported magnesite brick and chromite brick are using white marble as a substitute. It is also planned to use An-shan steel plate from the Northeast instead of imported material.

Shang-hai's drug industry is suffering a shortage of materials from abroad. In view of this the industry is seeking (1) a greater use of domestic materials and, (2) an exchange of materials with the Soviet Union.

The K'ai-mei-k'o Company is advocating the avoidance of blind competition, urging that each firm specialize on the products for which its equipment and experience best fits it.

The paper industry is engaged in planning a program for self-sufficiency. Three main ideas are advanced.

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## CLASSIFICATION

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1. Separate operation under coordinated planning.
2. Conversion of a portion of the present cardboard machines into miscellaneous paper machines. Cardboard was formerly distributed in the South Seas, but the industry now faces overproduction, while paper, which has been largely imported, will soon be in short supply.
3. Exploitation to the fullest possible degree of the available supply of domestic raw materials such as bamboo, paddy rice, straw, soybean stalks, etc. In such a program it may be necessary to move some plants into the areas where these materials are available.

About 50 percent of Shang-hai's more than 270 manufacturers of electrical goods have resumed operations since the liberation. The larger companies have been completely restored. However, under the colonial economic policy of the former reactionary government they developed a disposition toward dependence upon the outside for the bulk of their raw materials, such as silicon steel plating, copper wire, iron plate, tungsten wire for electric light bulbs, molybdenum wire, etc. America and Sweden have been the chief source of these supplies. Most of the essential materials can be produced domestically and factories using them are little affected by the enemy blockade, but most of those firms depending on foreign materials, as well as those depending on foreign markets for their products, are unable to operate.

Firms with a domestic market are looking toward North China and Central China for an expansion of their market.

A number of firms manufacturing transformers and accessories are planning joint operations in the interests of specialization and standardization of products and expansion of markets. They are giving particular attention to the needs of the coal mining industry to be able to meet the requirements of this type of industry.

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